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**Financing of the United Nations Interim Administration
Mission in Kosovo**

Financial performance report of the United Nations Interim Administration Mission in Kosovo for the period from 1 July 2000 to 30 June 2001

Report of the Secretary-General

Summary

The present document contains the financial performance report of the United Nations Interim Administration Mission in Kosovo (UNMIK) for the period from 1 July 2000 to 30 June 2001. The General Assembly, by its resolution 55/227 A of 23 December 2000, appropriated an amount of \$450 million gross (\$422,053,500 net) for the same period.

Expenditures for the period totalled \$383,462,000 gross (\$360,687,000 net), resulting in an unencumbered balance of \$66,538,000 gross (\$61,366,500 net).

The unencumbered balance resulted mainly from the lower costs of international and local staff.

The action to be taken by the General Assembly in connection with the financing of the Mission is set out in paragraph 16 of the present report.



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I. Introduction

1. The United Nations Interim Administration Mission In Kosovo (UNMIK) was established by Security Council resolution 1244 (1999) of 10 June 1999 to establish an international civil presence in Kosovo in order to provide an interim administration for Kosovo under which the people of Kosovo could enjoy substantial autonomy within the Federal Republic of Yugoslavia, and which would provide transitional administration while establishing and overseeing the development of provisional democratic self-governing institutions to ensure conditions for a peaceful and normal life for all inhabitants of Kosovo.

2. The budget for the maintenance of UNMIK for the period from 1 July 2000 to 30 June 2001 was set out in the report of the Secretary-General of 12 October 2000 (A/55/477) and amounted to \$474,401,800 gross (\$446,239,700 net). It provided for 42 military liaison officers, 4,718 civilian police, 1,357 international staff, 3,983 local staff, 11 National Officers and 203 United Nations Volunteers. The Advisory Committee on Administrative and Budgetary Questions, in paragraph 61 of its report dated 13 November 2000 (A/55/624), recommended that the General Assembly appropriate \$450 million gross for the period from 1 July 2000 to 30 June 2001.

3. The General Assembly, by its resolution 55/227 A of 23 December 2000, appropriated an amount of \$450 million gross (\$422,053,500 net) for the maintenance of the Mission for the period from 1 July 2000 to 30 June 2001, inclusive of the amount of \$220 million gross (\$207,407,400 net) authorized by it in its resolution 54/245 B of 15 June 2000. The total amount has been assessed on Member States.

II. Implementation of the budget

4. Information on the operations of UNMIK and on the situation on the ground during the period under review is contained in the reports of the Secretary-General to the Security Council dated 18 September 2000 (S/2000/878 and Add.1), 15 December 2000 (S/2000/1196 and Add.1), 13 March 2001 (S/2001/218 and Add.1) and 7 June 2001 (S/2001/565).

5. The vacancy rates for international and local staff continued to decrease during the reporting period. Compared to the average vacancy rates of 50 per cent for international staff and 34 per cent for local staff during the first year of operation, the average vacancy rates during the period under review were 16 per cent for international staff and 8 per cent for local staff. These vacancy rates were slightly higher than projected in the budget estimates (15 per cent for international staff and 5 per cent for local staff). The average vacancy rate for civilian police was 9 per cent, as compared to the projected 5 per cent. The unutilized resources in the civilian personnel category, which represent 64 per cent of the overall savings for the period, resulted from the appointment of international staff at lower levels than authorized, discontinuation of the hazardous duty station allowance in Pristina municipality in February 2001 and higher vacancy rates.

6. As the Mission exhausted the available supply of state and publicly owned facilities that could be repaired economically and quickly to create suitable office space in the latter part of the budget period, it focused its efforts on procuring and establishing movable or removable prefabricated buildings. The relatively mild

weather for most of the winter period allowed virtually uninterrupted implementation of work schedules for engineering and communications.

7. Public utilities continued to be in very poor condition and this resulted in unreliable power supplies, forcing the Mission to rely heavily on generator power. The local telephone system is still not adequate and, owing to the level and urgency of communications required in the Mission, it was necessary to improve the UNMIK telecommunications network so as to make it capable of meeting the Mission's immediate demands, along with some technical capacity for growth. Accordingly, the Mission installed microwave radio systems, reducing reliance on Inmarsats and other forms of communications which, in turn, resulted in considerable savings on spare parts for equipment, such as satellite Earth stations. In addition, service providers for international calls reduced the rates to most countries by approximately 60 per cent, resulting in further savings for the Mission.

8. As procurement activity reached full capacity in the second part of the year, efforts were again frustrated with the unexpected outbreak of hostilities in the neighbouring former Yugoslav Republic of Macedonia, which caused considerable disruption in operations as a result of delays in establishing contracts with vendors who would have to transit the former Yugoslav Republic of Macedonia to make deliveries to Kosovo. The border crossing points were regularly closed, cutting off the main supply routes, and the Mission was forced to reprioritize its requirements and to introduce a strict rationing system for fuel. Nevertheless, the Mission sought to comply with the recommendation of the Advisory Committee on Administrative and Budgetary Questions contained in paragraph 51 of its report on the financing of UNMIK (A/54/622), dated 19 November 1999, that it procure as much as possible locally and, despite the difficulties, the field procurement office succeeded in sourcing approximately 20 per cent of its requirements in Kosovo, together with 22 per cent in the adjoining countries of the former Yugoslavia.

9. Demonstrations and riots were ongoing in Kosovo throughout the period. In December 2000, a bomb destroyed the residence of the Representative of Yugoslavia in Pristina (directly behind the residence of the Principal Deputy Special Representative) and caused major structural damage to other houses in the vicinity, occupied mainly by UNMIK staff. The volatile situation in the former Yugoslav Republic of Macedonia caused financial and logistical difficulties for international staff scheduled to enter and exit the mission area through Skopje because of limited services at Pristina Airport. Just as important in the context of staff welfare, occasional trips to Skopje to escape the tension and isolation of Kosovo, when the local security situation in Kosovo allowed non-essential movement of personnel, were frequently disallowed, owing to border closures and grave concerns for the safety of international staff. Five vehicles were completely destroyed and 87 damaged during riots and demonstrations. In addition, 399 vehicles were vandalized and 21 stolen.

10. Health issues continued to trouble the Mission throughout the year and in January, following months of speculation surrounding the deaths of several military personnel and police, specialists from the World Health Organization began to assess the public health aspects of depleted uranium residues at the 112 sites where the North Atlantic Treaty Organization used depleted uranium-tipped weapons during its 78-day bombing campaign in 1999. However, no widespread ground contamination from depleted uranium or other residues was found in the areas

investigated. The year ended in June 2001 with an outbreak of Crimean-Congo haemorrhagic fever (Ebola virus), a severe disease in humans with a high mortality rate. Regular cases and repeated outbreaks of the virus have been recorded in Kosovo since 1986. In response to overall health concerns, the Division of Administration carried out a review of medical services in the Mission and has commenced work on a 10-bed nursing facility, together with the purchase of additional equipment and recruitment of additional medical personnel.

11. UNMIK implemented a number of economy measures during the period under review in the fields of personnel, information technology, engineering and transport. In the personnel area, the establishment of a check-in/check-out unit in November 2000 resulted in a reduction of the processing time from 4.5 days to 1 day, and consequent savings of some \$900,000 during the period. In the area of information technology, the Mission identified and trained personnel as trouble shooters in all its facilities throughout the mission area. The implementation of this strategy resulted in savings of an estimated \$400,000, which otherwise would have been required for additional staff to maintain the equipment. Savings were achieved also in the engineering sector, owing to the rental by UNMIK Administration of 46 government or socially owned buildings rather than privately owned buildings. Although the overall cost of vehicle spare parts, repair and maintenance was higher than anticipated, because of more frequent maintenance requirements and a high accident rate, savings of some \$73,000 were achieved during the period from the reuse of spare parts salvaged from 25 vehicles that were written off. Furthermore, the Mission replaced 20 fuel heaters with waste-oil-burning heaters, which resulted in savings of some \$130,000 under fuel and contributed to the waste disposable measures.

12. During the period under review, an amount of \$1,915,600 was expended by the Mission on measures to provide security for the staff, as shown in table 1 below.

Table 1
Expenditures for staff security
(Thousands of United States dollars)

<i>Item</i>	<i>Expenditure</i>
Security personnel	1 453.8
Alteration and renovation of premises	51.8
Air operations	356.0
Supplies and services	54.0
Total	1 915.6

13. In paragraph 16 of its report (A/55/874/Add.6), dated 4 April 2001, the Advisory Committee on Administrative and Budgetary Questions requested that an analysis of the reasons for the delay in expenditure as at 31 December 2000 be provided in the context of the performance report. The delay in expenditure during the first six months related primarily to procurement items and was attributable to the manner in which resources were approved for this period. Initially, the General Assembly had authorized the Secretary-General to enter into commitments of up to \$220 million for the period from 1 July to 31 December 2000 (resolution 54/245 B

of 15 June 2000). That amount represented less than half of the proposed budget of \$474,401,800 gross. In the absence of information on the total amount that would actually be approved for the period, the Mission moved to prioritize procurement of its most urgent requirements. Resources for the full 12-month period were approved on 23 December 2000 (General Assembly resolution 55/227) and, as a result, most field procurement activity took place in the second half of the financial period. Much of the equipment required was highly specialized and required significant research to develop appropriate specifications.

III. Financial performance report for the period from 1 July 2000 to 30 June 2001

14. As indicated in table 2 below, from the appropriation of \$450 million gross (\$422,053,500 net) for the period from 1 July 2000 to 30 June 2001, expenditures amounted to \$383,462,000 gross (\$360,687,000 net), inclusive of \$63,237,200 in unliquidated obligations. The resulting unspent balance of \$66,538,000 gross (\$61,366,500 net) represents, in gross terms, some 14.8 per cent of the amount appropriated. Annex I to the present report contains the financial performance information for the reporting period by budget line item, with supplementary information on significant variances presented in annex II. Annex IV contains a chart showing apportionment and expenditure by main budget groups.

Table 2
Apportionment and expenditure
(Thousands of United States dollars)

<i>Category of expenditure</i>	<i>Apportionment</i>	<i>Expenditure^a</i>	<i>Variance</i>
Military personnel	7 814.3	5 918.4	1 895.9
Civilian personnel	322 983.1	280 113.5	42 869.6
Operational requirements	89 688.2	73 816.0	15 872.2
Other programmes ^b	1 567.9	839.1	728.8
United Nations Logistics Base at Brindisi	-	-	-
Support account for peacekeeping operations	-	-	-
Staff assessment	27 946.5	22 775.0	5 171.5
Gross requirements	450 000.0	383 462.0	66 538.0
Income from staff assessment	(27 946.5)	(22 775.0)	(5 171.5)
Net requirements	422 053.5	360 687.0	61 366.5
Voluntary contributions in kind (budgeted)	-	-	-
Voluntary contributions in kind (non-budgeted)	-	-	-
Total resources	450 000.0	383 462.0	66 538.0

^a Includes an amount of \$63,237,200 in unliquidated obligations.

^b Excludes personnel.

15. Information on the deployment of military and civilian personnel during the reporting period is given in table 3 below and annex III to the present report.

Table 3

Authorized staffing, incumbency and vacancy rates for military and civilian personnel for the period from 1 July 2000 to 30 June 2001

<i>Personnel category</i>	<i>Authorized strength</i>	<i>Actual strength (average)</i>	<i>Vacancy rate (percentage)</i>
Military observers	38	38	-
Military contingents	-	-	-
Civilian police	4 718	4 277	9
International staff	1 339	1 131	16
National Officers	11	7	39
Local staff	3 916	3 619	8
United Nations Volunteers ^a	203	203	-

^a Additional United Nations Volunteers were required to assist in the voter registration and the municipal elections.

IV. Action to be taken by the General Assembly at its fifty-sixth session

16. The action to be taken by the General Assembly in connection with the financing of the United Nations Interim Administration Mission in Kosovo is as follows:

(a) To decide on the treatment of the unencumbered balance of \$66,538,000 gross (\$61,366,500 net) for the period from 1 July 2000 to 30 June 2001;

(b) To decide on the treatment of other income for the period from 1 July 2000 to 30 June 2001 amounting to \$29,041,000 from interest income (\$7,322,000), other/miscellaneous income (\$1,882,000) and savings on or cancellation of prior period obligations (\$19,837,000).

Annex I

Financial performance report for the period from 1 July 2000 to 30 June 2001: summary statement

(Thousands of United States dollars)

Category of expenditure	(1) Apportionment*	(2) Non-recurrent expenditures	(3) Total expenditures (inclusive of non-recurrent expenditures)	(4) = (1 - 3) Variance
I. Military personnel				
1. Military observers	1 205.9	-	1 239.8	(33.9)
2. Military contingents	-	-	-	-
3. Other requirements pertaining to military personnel				
(a) Contingent-owned equipment	4 003.2	-	2 605.7	1 397.5
(b) Self-sustainment	805.2	-	796.5	8.7
(c) Death and disability compensation	1 800.0	-	1 276.4	523.6
Subtotal, line 3	6 608.4	-	4 678.6	1 929.8
Total, category I	7 814.3	-	5 918.4	1 895.9
II. Civilian personnel				
1. Civilian police	120 243.6	-	115 122.0	5 121.6
2. International and local staff	186 597.0	-	151 411.5	35 185.5
3. United Nations Volunteers	16 142.5	-	13 580.0	2 562.5
4. Government-provided personnel	-	-	-	-
5. Civilian electoral observers	-	-	-	-
Total, category II	322 983.1	-	280 113.5	42 869.6
III. Operational requirements				
1. Premises/accommodation	10 137.1	6 466.9	10 455.3	(318.3)
2. Infrastructure repairs	-	-	-	-
3. Transport operations	13 728.8	4 657.8	12 475.5	1 253.4
4. Air operations	6 130.4	-	4 147.8	1 982.6
5. Naval operations	-	-	-	-
6. Communications	19 782.4	9 902.4	13 898.9	5 883.5
7. Other equipment	20 345.8	13 754.1	15 080.7	5 265.1
8. Supplies and services	17 763.7	-	16 500.3	1 263.4
9. Air and surface freight				
(a) Transport of contingent-owned equipment	1 800.0	-	387.5	1 412.5
(b) Commercial freight and cartage	-	-	870.2	(870.2)
Subtotal, line 9	1 800.0	-	1 257.7	542.3
Total, category III	89 688.2	34 781.2	73 816.0	15 872.2

	(1)	(2)	(3)	(4) = (1 - 3)
			Total expenditures (inclusive of non-recurrent expenditures)	
Category of expenditure	Apportionment*	Non- recurrent expenditures		Variance
IV. Other programmes				
1. Election-related supplies and services	-	-	-	-
2. Public information programmes	599.7	-	409.9	189.8
3. Training programmes	418.2	-	429.2	(11.0)
4. Mine-clearing programmes	550.0	-	-	550.0
5. Assistance for disarmament and demobilization	-	-	-	-
Total, category IV	1 567.9	-	839.1	728.8
V. United Nations Logistics Base at Brindisi	-	-	-	-
VI. Support account for peacekeeping operations	-	-	-	-
VII. Staff assessment	27 946.5	-	22 775.0	5 171.5
Gross requirements, categories I-VII	450 000.0	34 781.2	383 462.0	66 538.0
VIII. Income from staff assessment	(27 946.5)	-	(22 775.0)	(5 171.5)
Net requirements, categories I-VIII	422 053.5	34 781.2	360 687.0	61 366.5
IX. Voluntary contributions in kind (budgeted)	-	-	-	-
X. Voluntary contributions in kind (non-budgeted)	-	-	-	-
Total	450 000.0	34 781.2	383 462.0	66 538.0
			<i>Amount</i>	
XI. Other income/adjustments				
Interest income				7,322.0
Other/miscellaneous income				1,882.0
Voluntary contributions in cash				-
Prior period adjustments				-
Savings on, or cancellation of, prior period obligations				19,837.0
Total, category XI				29,041.0

* Based on appropriation provided by the General Assembly in resolution 55/227 A of 23 December 2000.

Annex II

Supplementary information on significant variances

Military personnel

Apportionment: \$7,814,300; expenditure: \$5,918,400; variance: \$1,895,900

1. The unutilized balance of \$1,895,900 under this heading resulted from lower costs for other requirements pertaining to military personnel (\$1,929,800), which were partially offset by additional requirements for military observers (\$33,900).

Other requirements pertaining to military personnel

Apportionment: \$6,608,400; expenditure: \$4,678,600; variance: \$1,929,800

2. The unutilized balance of \$1,929,800 resulted from lower requirements for contingent-owned equipment, self-sustainment and death and disability compensation, owing to the delayed deployment of four special police units and the non-deployment of one special police unit.

Civilian personnel

Apportionment: \$322,983,100; expenditure: \$280,113,500; variance: \$42,869,600

3. The unutilized balance of \$42,869,600 resulted from lower requirements for civilian police (\$5,121,600), international and local staff (\$35,185,500) and United Nations Volunteers (\$2,562,500).

Civilian police

Apportionment: \$120,243,600; expenditure: \$115,122,000; variance: \$5,121,600

4. The unutilized balance for civilian police was primarily owing to lower requirements for travel for a variety of reasons. The delayed deployment of four special police units and the non-deployment of one special police unit resulted in the need for fewer rotation travels. While the cost of the average trip, including baggage allowance, had been estimated at \$1,700, the actual cost of rotation and repatriation travel averaged \$1,045 and \$1,400, respectively. Some police also travelled on national military aircraft.

International and local staff

Apportionment: \$186,597,000; expenditure: \$151,411,500; variance: \$35,185,500

5. The unutilized balance of \$35,185,500 was attributable mainly to lower costs of international and local staff. The actual average vacancy rate for international staff during the period under review was 16 per cent, compared to a budgeted vacancy rate of 15 per cent. Local staff salaries were calculated inclusive of a 5 per cent vacancy rate. The actual average vacancy rate for local staff during the period under review was 8 per cent. An average of only 7 National Officers out of 11 were deployed in the mission area during the period under review. Most of the unutilized balance was attributable to posts being encumbered by staff at lower grade levels

than those authorized and discontinuation of hazardous duty station allowance in Pristina municipality in February 2001. In addition, 85 per cent of the local staff were recruited initially at levels 2 and 3, whereas the cost estimates were based on level 4 salaries. The cost parameters used for the preparation of the budget for the 2002-2003 fiscal period will be adjusted to take account of actual experience.

6. During the period under review, a total of 18 UNMIK personnel were on short-term loans to new missions or other operations as shown below:

<i>Deployed to</i>	<i>Number of staff</i>
United Nations Mission in Ethiopia and Eritrea (UNMEE)	11
United Nations Organization Mission in the Democratic Republic of the Congo (MONUC)	3
United Nations Transitional Administration in East Timor (UNTAET)	3
United Nations Office of the Humanitarian Coordinator for Iraq	1
Total	18

United Nations Volunteers

Apportionment: \$16,142,500; expenditure: \$13,580,000; variance: \$2,562,500

7. The unutilized balance of \$2,562,500 under this heading resulted from the temporary suspension of the registration programme in mid-September 2000, owing to the need to clean up the electoral registration database. Consequently, deployment of the 500 additional United Nations Volunteers to assist in the voter registration and the municipal elections was postponed.

Operational requirements

Apportionment: \$89,688,200; expenditure: \$73,816,000; variance: \$15,872,200

8. The unutilized balance of \$15,872,200 related to an amount totalling \$16,190,300 for transport operations (\$1,253,400), air operations (\$1,982,600), communications (\$5,883,500), other equipment (\$5,265,100), supplies and services (\$1,263,400) and air and surface freight (\$542,300), offset by additional requirements under premises/accommodation (\$318,300).

Premises/accommodation

Apportionment: \$10,137,100; expenditure: \$10,455,300; variance: (\$318,300)

9. The additional requirement of \$318,300 under this heading resulted from the need to procure and install prefabricated buildings, owing to changes in the deployment of UNMIK personnel. These changes included relocation of the administration staff at regional headquarters to respective regional support bases, the need for separate facilities for UNMIK and local police, for offices for elements of the civil administration that will be displaced from the government buildings after the provincial elections and the expansion of UNMIK medical facilities in Pristina. Since the Mission has exhausted the available supply of state and publicly owned

facilities that could be repaired economically to create suitable office space, efforts have been shifted to the procurement of prefabricated buildings.

Transport operations

Apportionment: \$13,728,800; expenditure: \$12,475,500; variance: \$1,253,400

10. The unutilized balance of \$1,253,400 under this heading was attributable primarily to the purchase of fewer vehicles. The cost estimates provided for the purchase of 65 new vehicles and the replacement of 46 4x4 general purpose vehicles. During the reporting period, a total of 71 vehicles were purchased (7 heavy buses, 2 fuel tankers, 4 special purpose vehicles, 50 4x4 general purpose vehicles and 8 freight vehicles). As a result of the procurement of fewer vehicles and the lower actual cost of some vehicles, compared to the standard costs used in the budget estimates, savings were reported under purchase of vehicles. Furthermore, the reduction in the number of vehicles resulted in an unutilized balance under petrol, oil and lubricants, owing to the lower consumption of fuel, as well as under vehicle insurance. Savings also arose under insurance, as a result of the lower premium cost per vehicle.

Air operations

Apportionment: \$6,130,400; expenditure: \$4,147,800; variance: \$1,982,600

11. The unutilized balance of \$1,982,600 under this heading resulted, mainly, from the delay in the deployment of one light utility helicopter and minimal requirements for air crew subsistence allowance.

12. The budget was based on the hire of one light utility helicopter and one medium lift helicopter. However, owing to the late deployment of a light utility helicopter, the Mission continued to use two medium lift helicopters until May 2001, which resulted in savings under hire/charter cost. Lower expenditures were also recorded for aviation fuel, owing to utilization of 67 per cent of the budgeted flying hours by the medium lift helicopter and only 9 per cent of the budgeted flying hours by the light utility helicopter. Further savings were reported under liability and war-risk insurance, owing to lower actual costs and delay in the deployment of a light utility helicopter.

13. The unutilized balance under air crew subsistence allowance was due to the transfer of the IL-76 aircraft and crew to MONUC in July 2000 and 14 helicopter landings outside the mission area, instead of the 36 landings budgeted.

Communications

Apportionment: \$19,782,400; expenditure: \$13,898,900; variance: \$5,883,500

14. The unspent balance of \$5,883,500 under this heading resulted mainly from savings under spare parts and supplies and commercial communications.

15. The backbone of the initial communications network of UNMIK was provided by satellite earth stations. This technology had many advantages at the early stages of the Mission, since it allowed the rapid establishment of communications within the Mission, as well as immediate e-mail/Internet and telephone access to the United

Nations global network and the outside world. However, there were some drawbacks to continuous use of the satellite technology since the expansion of the network was limited by the available bandwidth (circuit capacity) on the satellite. In addition, any changes to the network had to be closely coordinated with all other Missions using the satellite earth stations. As the need for additional bandwidth arose, there was a proportional increase in the cost of operation of the satellite earth stations to the point where it became prohibitively expensive. In this context, as the operational requirements of the Mission evolved, especially the need to transmit and receive high volumes of data, it became clear that such service could not be adequately provided using satellite earth stations.

16. The above-mentioned circumstances necessitated fundamental changes in the network configuration and consequently the type of equipment to meet critical demands and the technical capacity for growth. At the end of the 1999-2000 financial period, only 38 locations were connected to the network and only the regional headquarters was equipped with Lotus Notes facilities. During this period, microwave communications links to 107 locations were installed, providing both telephone and Lotus Notes connections. The latter became the most effective means of communications between offices. In the Pristina area, microwave links to 50 different locations were provided, as it would have been impossible to use satellite earth stations to provide connectivity to such a large number of locations.

17. In view of the above, emphasis was placed on the provision of wideband microwave terrestrial systems and expansion of the cordless telephone network. Implementation of the trunking network provided a fairly secure and confidential communications medium, thus reducing the number of encrypted conventional radios. Furthermore, cross-connecting the trunking network with the conventional UHF/VHF network effectively extended the range of both networks, resulting in a substantial reduction in the number of trunking radios.

18. The installation of the microwave terrestrial radio systems in the Mission had replaced the reliance on the satellite earth stations, which required expensive spare parts, and maintenance. This resulted in unutilized resources under communications spare parts and supplies.

19. During the early stages of the reporting period, there were substantial reductions in the commercial communications rates for both Inmarsat and regular international telephone calls. The Inmarsat charges were lowered 64 per cent and the service providers for international calls reduced the rates to most countries by an average of 60 per cent. Also, with the installation of the microwave terrestrial radio systems, there was substantially less need to use Inmarsat or other forms of commercial communications. These developments resulted in savings under commercial communications.

Other equipment

Apportionment: \$20,345,800; expenditure: \$15,080,700; variance: \$5,265,100

20. An unutilized balance of \$5,265,100 was realized under other equipment, owing to a number of reasons, namely, lower costs achieved under headquarters systems contracts, the purchase of fewer quantities of miscellaneous and field defence equipment, lower requirements for spare parts, repair and maintenance of equipment and the establishment of a comprehensive fuel contract, including major

storage infrastructure and distribution of fuel, which resulted in savings under petrol tanks and metering equipment.

21. Lower expenditures were reported under generators and observation equipment, owing to the transfer from the United Nations Logistics Base at Brindisi of 12 generators and 41 night observation devices. In addition, provision made for the procurement of a thermal imaging system for the helicopter was not utilized, as UNMIK managed to include this device in the lease contract.

22. The budget provided resources under field defence equipment for the procurement of professional police equipment to execute police activities in a variety of operations, including traffic control, forensics and criminal investigations, security, riot and crowd control and others. Owing to the long procurement lead time required for the acquisition of the specialized police items or groups of items, some of the equipment, including an automatic fingerprint identification system, weapons training system, protective gear, diversionary devices and a variety of miscellaneous equipment, was not procured during the reporting period, which resulted in lower expenditures under this line item.

Supplies and services

Apportionment: \$17,763,700; expenditure: \$16,500,300; variance: \$1,263,400

23. The unutilized balance of \$1,263,400 under this heading resulted from the lower cost of miscellaneous services (\$3,113,600), which were partially offset by the additional requirements for miscellaneous supplies (\$1,850,200).

24. The unutilized resources of \$3,113,600 under miscellaneous services were mainly owing to lower requirements under contractual services. Provisions made for catering services in the budget estimates were based on an average cost of \$10 per person per day for 1,038 members of the special police units. The actual average cost of \$9 per person per day and delays in deployment of the special police units resulted in lower costs. Further savings were reported under laundry and dry-cleaning services, owing to lower actual costs and delays in the deployment of special police units. The Mission was unable to find a suitable contractor to perform cleaning services, as anticipated. As a result, limited cleaning services were provided by contractors under special services agreements, who were supervised by the United Nations personnel and utilized United Nations provided supplies and basic cleaning equipment. Following the introduction of lower rates effective 1 January 2001, savings were reported under provisions made for photocopier services. Further, because of reduced requirements, environmental clean-up costs were lower than projected.

25. Additional requirements reported under miscellaneous supplies were attributable to a number of factors. The administrative nature of the functions performed by a large number of mission personnel resulted in a greater demand for stationery and office supplies. The non-establishment of cleaning service contracts with local companies created a need for additional cleaning materials to provide limited cleaning services. Additional requirements for electrical supplies resulted from a greater number of buildings that needed to be maintained and the poor standard of electrical wirings in government buildings. The higher demand for consumable police items led to higher expenditure for uniforms, flags and decals. As

a result of increased security requirements, in particular at the special police unit camp in Mitrovica there was a greater demand for field defence stores.

Air and surface freight

Apportionment: \$1,800,000; expenditure: \$1,257,700; variance: \$542,300

26. The unutilized balance of \$542,300 under this heading resulted from lower requirements for the transportation of contingent-owned equipment, owing to the non-deployment of one special police unit and utilization of more economical commercial air sources, which were partially offset by unforeseen additional requirements for commercial freight and cartage incurred for road tolls of 27 United Nations convoys and 5 commercial convoys. There were no provisions for that purpose in the cost estimates because proposed arrangements for direct deliveries of goods through the former Yugoslav Republic of Macedonia and Montenegro did not materialize.

Other programmes

Apportionment: \$1,567,900; expenditure: \$839,100; variance: \$728,800

27. The unutilized balance of \$728,800 related to an amount of \$739,800 for public information programmes (\$189,800) and mine-clearing programmes (\$550,000), offset by additional requirements under training programmes (\$11,000).

Public information programmes

Apportionment: \$599,700; expenditure: \$409,900; variance: \$189,800

28. The unutilized balance of \$189,800 under this heading related to lower costs of materials and supplies procured for the Print Unit and the Radio and Television Unit, and for the printing of brochures, leaflets and newsletters.

Training programmes

Apportionment: \$418,200; expenditure: \$429,200; variance: (\$11,000)

29. The primary purpose of training in the communications and information technologies areas is to enable mission personnel to develop technological infrastructure and to provide services that fully satisfy the requirements of all peacekeeping missions. Human resources are a critical success factor, since without that contribution, the prerequisite for success, namely, the timely, effective and efficient delivery of support, could be achieved. The Secretariat is cognizant of the need to foster the development of skills and to maintain a high quality of expertise in all critical areas. A strategic plan has been developed for communications and information technology areas, which takes into account the increasing complexity and scope of activities and the increasing information needs resulting from the growth peacekeeping missions. The success of communications and information technology in missions depends, to a great extent, on the effectiveness of field mission information systems. It is imperative that the Secretariat enhance on a continuous basis the capacity of mission personnel of all categories of staff to manage information resources, using innovative and current educational and training

procedures, tools and structures. The training plan comprises an evaluation system to monitor the effectiveness of the programme and take corrective action. It is in the context of a rapidly changing technological environment that the Secretariat plans its training activities to maintain skills that are relevant and vital to the needs of the Mission, thereby pre-empting deficiencies or weaknesses in the human resources of peacekeeping missions.

30. A total of 1,051 UNMIK personnel received training during the period under review, including 972 personnel admitted to the regular training and 79 personnel who received special training in procurement and electronic data-processing areas. The table below provides information on the UNMIK training programmes during the period under review.

<i>Description of training</i>	<i>Expenditure (United States dollars)</i>	<i>Number of persons trained</i>	<i>Venue</i>
Procurement	10 900	28	Pristina
Safe transport of dangerous goods	7 500	3	Athens
Resident Auditor training	5 400	1	New York
Seminars on higher education and spectrum management system	4 300	4	Tirana, Athens
Infrared equipment, land-search operations	8 600	5	London
Combating counterfeit money	2 400	1	Frankfurt, Germany
Communications equipment, Microsoft network	51 300	24	UNLB
Communications equipment seminar	2 000	3	Hannover, Germany
Microwave radio training	16 300	3	Coventry, United Kingdom
Subregional seminar on automated spectrum system	1 500	1	Athens
Multi-Site Trunking training	11 400	4	Paris
Microwave radio training	59 200	27	Pristina
People management training	32 300	25	Pristina
Senior management strategy retreat	4 900	17	Montenegro
Computer-aided design	9 000	21	Pristina
Three-day firefighters exercise	600	1	Madrid
Training in check-in/check out procedures	1 500	2	Sarajevo
Reality, Notes, Domino, Application			
Development trainings	20 800	12	UNLB
Training and installation of software	500	1	Vienna
Electronic data-processing training	1 600	1	Leeds, United Kingdom
Technical specifications for software charges	1 100	1	Paris
Domino/application development	4 900	2	Zagreb
Galaxy training	75 700	27	Pristina
INFORMATEC Notes R5	1 700	1	Manchester, United Kingdom
Language training (Local staff), personnel seminar	42 900	350	Pristina
National staff workshop	100	330	Gjilane, Kosovo
Personnel seminar	3 500	50	Peja, Kosovo
Procurement management workshop	2 500	1	Cyprus

Inter-agency Procurement Services Office		
procurement contracting of services	10 500	6 Vienna
Training at security academy	7 400	1 Sterling
Firearm training	5 500	2 Pristina
Anti-riot training course	1 100	1 Bordeaux, France
Field staff counsellors	1 600	1 Rome
Stress management training - drivers	5 900	45 Thessaloniki, Greece
Stress management training	3 900	45 Ohrid
Training course for 4x4 vehicles and main deck loader	5 600	3 UNLB
Training for truck drivers	200	1 Lyon, France
Training material and equipment	14 000	Pristina
Total	429 200	1 051

Mine-clearing programmes

Apportionment: \$550,000; expenditure: \$0; variance: \$550,000

31. Provision made in the cost estimates in support of the activities of the Mine-Action Coordination Centre was not utilized during the period under review, owing to the fact that the UNMIK buildings were established mainly in the urban areas and in rural areas considered to be safe. There was uncertainty regarding the locations of mines at the time of the budget preparations. Funds were requested in order to be in a position to contract professional assistance, if required.

Staff assessment

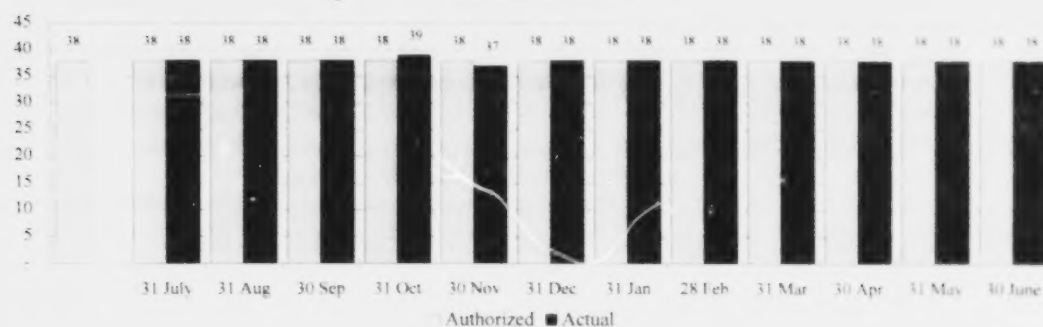
Apportionment: \$27,946,500; expenditure: \$22,775,000; variance: \$5,171,500

32. The unutilized balance of \$5,171,500 under this heading related mainly to the fact that posts were encumbered by staff at a lower grade level than the authorized level, and higher than projected vacancy rates for the international and local staff during the period under review.

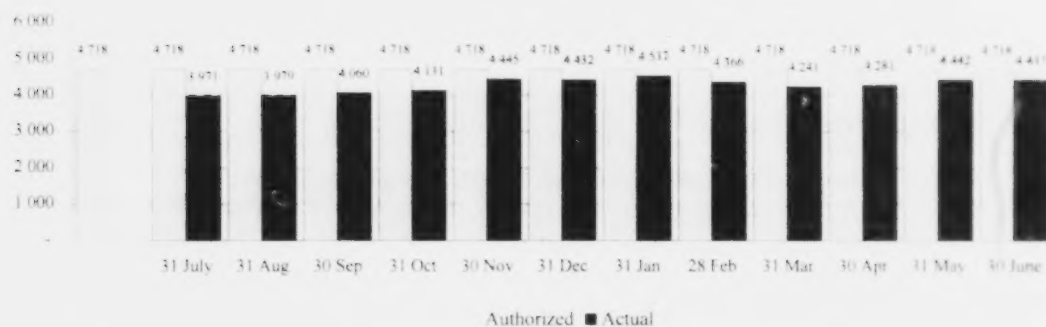
Annex III

Planned and actual deployment of civilian and military personnel for the period from 1 July 2000 to 30 June 2001

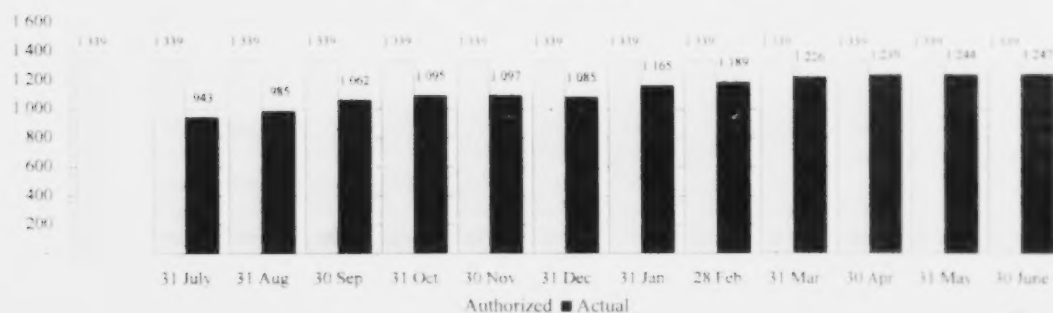
1. Military observers



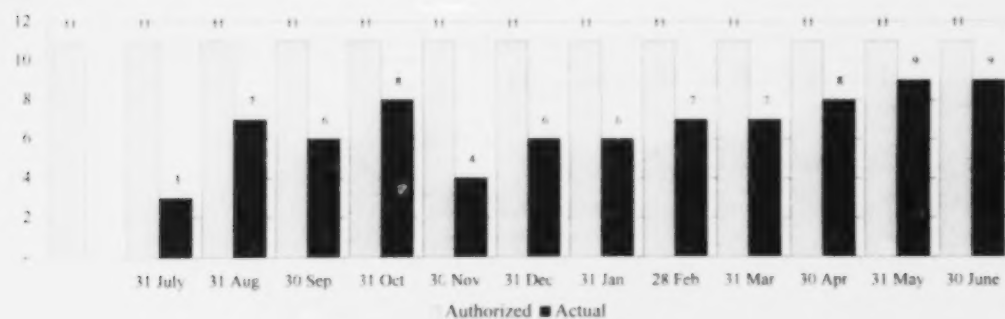
2. Civilian police



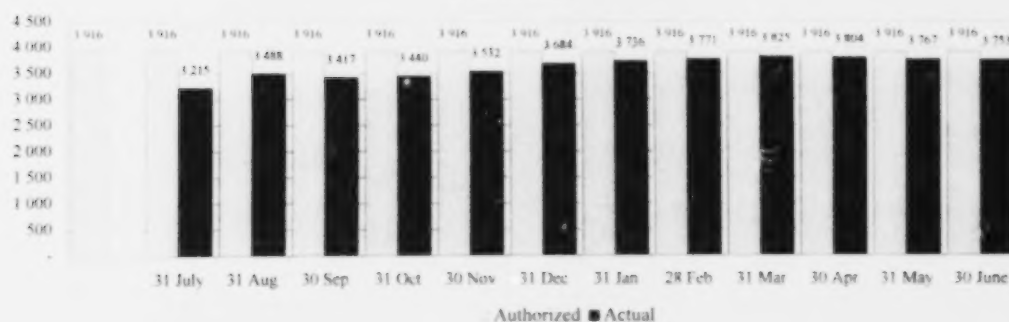
3. International staff



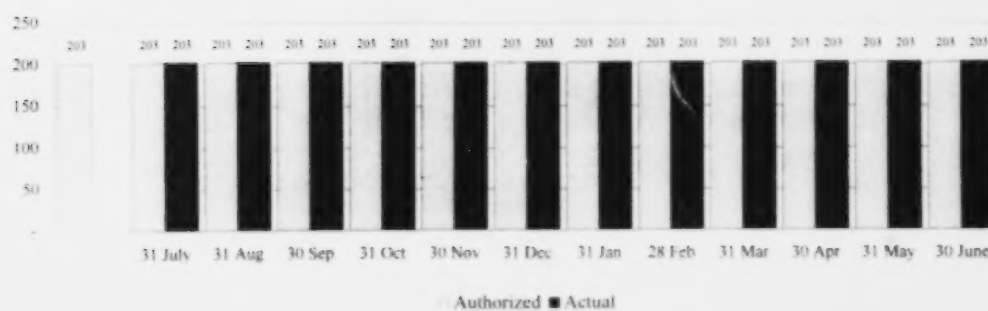
4. National Officers



5. Local staff



6. United Nations Volunteers



Annex IV

**Apportionment and expenditure for the period from
1 July 2000 to 30 June 2001**